



THE CITY OF SAN DIEGO
MANAGER'S REPORT

DATE ISSUED: February 2, 2005 REPORT NO. 05-004

ATTENTION: Natural Resources and Culture Committee
Agenda of February 9, 2005

SUBJECT: City of San Diego's Landscape Water Conservation Programs

REFERENCE: Strategic Plan for Water Supply (1997-2015)
Manager's Report No. 02-147, dated June 19, 2002

SUMMARY

Issues - 1) Shall the City Manager enter into a three-year Memorandum of Understanding (MOU) with the San Diego County Water Authority (CWA) to continue to secure program co-funding for the Commercial Landscape Survey Program (CLSP) and to pass-through funding from the Metropolitan Water District of Southern California (Metropolitan) and the Department of Water Resources (DWR) for additional landscape services for Water Department customers? 2) Shall the City Auditor and Comptroller be authorized to deposit funds received from the CWA for the City's Landscape Water Conservation Programs?

Manager's Recommendations - 1) Authorize the City Manager to enter into a three-year MOU with the CWA to secure co-funding and pass-through funding for the CLSP. 2) Authorize the City Auditor and Comptroller to deposit funds received from the CWA for Landscape Water Conservation Programs.

Other Recommendations – None.

Fiscal Impact - Water Department revenue may increase by \$57,600 or more, for each fiscal year FY 2005, 2006 and 2007. This program is revenue generating.

BACKGROUND

The City of San Diego imports as much as 90% of its potable water. This percentage varies with the amount of local rainfall, which has been below average for the past five years, resulting in increased expenditures for imported water. While the availability of imported water is fairly stable, with an estimated two-year supply in storage statewide, the cost of these purchases will continue to increase over time. The City is actively pursuing solutions that will increase local storage capacity and diversify its water portfolio, resulting in lower operating costs. Water conservation programs reduce the City's expenditures for imported water. Consistent with City Council Policy 400-11, and the Strategic Plan for Water Supply (Strategic Plan), the Water Department's water conservation programs have worked to maximize available water resources since 1985. These programs are widely recognized for their effectiveness and innovation in providing water management and achieving significant water savings. The Strategic Plan identifies the goal of achieving 26,000-acre feet per year of water savings through conservation programs by the year 2005. Existing conservation programs, which include landscape water conservation programs, now yield over 23,407-acre feet of potable water savings each year.

On July 29, 2002, the San Diego City Council passed two actions related to CLSP: Resolution R-2003-70, "authorized the City Manager to implement a commercial landscape survey program for the City of San Diego to provide voluntary water budgets;" and, Resolution R-2003-71, "authorized the City Manager to execute a two-year agreement with the CWA to jointly fund a commercial landscape survey program, under terms and conditions set forth in the Memorandum of Understanding." Resolution R-2003-71 also "authorized the City Auditor and Comptroller to deposit funds received from the County Water Authority for the above program."

The CLSP satisfies Best Management Practice (BMP) #5 under the Memorandum of Understanding Regarding Urban Water Conservation in California. BMP's are proven water conservation programs that promote long-term water savings and help to maximize State water supplies since 1991.

DISCUSSION

In addition to the plans described in the Strategic Plan, the Water Department continues to develop new cutting-edge conservation program elements to meet this demand and save additional water. Specifically, the CLSP was implemented in 2002 with the adoption of Resolutions R-2003-70 and R-2003-71 to improve the ability for commercial, industrial, and institutional (CII) customers to manage their irrigation needs.

Since CLSP implementation in Fiscal Year 2003, 123 commercial landscape surveys have been completed resulting in savings of 659-acre feet of water. Utilizing the Water Resources Landscape Database (WRLD) Watering Calculator, 13,592 water budgets have been created resulting in additional potential savings of 892-acre feet of water.

The CLSP co-funding MOU has produced \$72,903 in additional revenue for the Water Department since the program's inception. No additional staff was added for the CLSP, as staff was shifted from the Residential Survey Program, an existing conservation program.

The original MOU for the CLSP expired on June 30, 2004. This action will continue co-funding for the CLSP by approving a new MOU with a 3-year term.

The attached new Memorandum of Understanding (MOU) between the CWA and the City continues and builds on the success of the CLSP. Specifically, the MOU:

1. Modifies the term for co-funding the commercial landscape survey program to include FY 2005, 2006 and 2007.
2. Authorizes the CWA to reimburse the City up to \$20,700 for landscape audits and related services for each FY 2005, 2006 and 2007.
3. Adds additional services that may be provided to City customers who receive landscape audits.
4. Authorizes the CWA to pass-through from Metropolitan and DWR to the City up to \$21,375 for Weather Based Irrigation Controller (WBIC) vouchers for CII and multi-family (MF) residential customers for each FY 2005, 2006 and 2007; and, to pass-through \$15,525 for Residential WBIC Inspections for each FY 2005, 2006, and 2007. There may also be additional Residential funding available, as Metropolitan has not established a limit on incentives.
5. Identifies that the City share of voucher processing costs will not exceed \$4,200 for CII/MF and \$724.50 for residential WBIC vouchers for FYS 2005, 2006 and 2007. This cost will be deducted from the reimbursed pass-through funds.
6. Authorizes the CWA to pass-through from Metropolitan to the City funding for water budget management for sites enrolled in Metropolitan's water budget program. This will generate additional revenue based on the total acreage of all budgets generated each FY.

In order to receive any additional landscape services (item #3 above), such as a WBIC voucher (item #4 above), City Water Department customers must first have a landscape water survey of their property. The Water Department will provide in-kind services for landscape water survey programs to include performing field surveys for landscaped sites, sharing data with the CWA and Metropolitan, and inspecting sites that participate in the WBIC Program. No additional staff will be added, as this is a continuation of an existing City Water Department Conservation Program.

The City gains additional benefits by renewing the MOU to receive co-pay funding and pass-through funding for the CLSP. During landscape water surveys, staff is able to market other City conservation and environmental programs, including recycled water, storm drain pollution prevention, protection of native MSCP areas, and green waste reduction.

CONCLUSION

Beautiful landscapes are a hallmark of our City, contributing to our quality of life, economic vitality, and world famous standing as a tourist destination. As the City's population continues to grow at its projected rate, the environmental benefits of healthy landscapes will become increasingly important. A proactive effort to monitor and optimize irrigation water use will help ensure adequate water supplies, even during cyclical periods of drought, and have a major impact on reducing storm drain pollution and other citywide environmental programs. Achieving and exceeding our conservation goals will ultimately result in lower system and delivery costs and ensure the vitality of our landscape resources.

Water Conservation is currently on target to achieve the Strategic Plan goal of 26,000-acre feet per year of potable water savings in 2005. The additional landscape incentives and WBIC's in this MOU will result in achieving water savings that exceed the goal.

ALTERNATIVE

Do not authorize signing the MOU to accept co-funding and additional pass-through funding for the City's Landscape Water Conservation Programs.

Respectfully submitted,

Frank Belock, Jr.
Water Department Director

Approved: Richard Mendes
Deputy City Manager

BELOCK/DC

Note: Attachment is not available in electronic format. A copy for review is available in the Office of the City Clerk.

Attachment – Memorandum of Understanding between City of San Diego Water Department and San Diego County Water Authority for FYs 2005-2007 for the Landscape Assistance Program